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Additional Information

Level 1 Regulation
Securities Financing Transactions Regulation (SFTR) Regulation (EU) 2015/2365- MDP

Topic
Instrument Reference data

Subject Matter
Reporting of changes to the reference rate in an SFT

Question
To ensure consistency of reporting of SFTs, it is important to clarify how the counterparties should report SFTs based on reference rates that are not included explicitly in the Commission Implementing Regulation (EU) 2019/363, such as €STR. In particular:
(a) How the counterparties should report the changes to the reference rate in an SFT? In particular, how such changes should be reported in the scenario when, following to the

benchmarks reform, the counterparties agree to switch to a different rate or when a fallback is triggered?
(b) How the counterparties should report SFTs based on reference rates that are not included explicitly in the Commission Implementing Regulation (EU) 2019/363, for example €STR?

ESMA Answer

20-05-2021

Original language

[ESMA74-362-893 SFTR Q&A 10]

a) In all such cases the counterparties should report a modification of an SFT and update the relevant fields, 2.25 Floating rate or 2.59 Floating rebate rate, as applicable.

b) At the time the Commission Implementing Regulation (EU) 2019/363 was developed, €STR was not yet available, therefore the list of standardised codes for reporting of floating rate specified in this Regulation (for the fields 2.25 Floating rate and 2.59 Floating rebate rate) does not provide the code for reporting of this reference rate. Consequently, the counterparties need to use the free-text field to report €STR.

In order to ensure consistent reporting and enable the reconciliation of the reports in question, counterparties should report in the free-text field “ESTR”, i.e. the 4-letter code assigned to €STR in the ISO 20022 standard.

Similarly, for other reference rates that are not included in the list of standardised codes, counterparties should report in the free-text field the 4-letter code assigned to that reference rate is the ISO 20022 standard, to the extent it is available, as described in ISO 20022 Benchmark Curve Name Code at the following link.